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MAY 21 2003

IN THE
COMMONWEALTH COURT OF PENNSYLVANIA

Clerk of the Court
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COMMONWEALTH OF PENNSYLVANIA,
by D. MICHAEL FISHER,
Attorney General,

Plaintiff

v.

SOUTHERN TOBACCO, INC.,

Defendant

No. 924 M.D. 2002

ORDER

AND NOW, this 20th day of May, 2003 upon consideration of the Commonwealth's Motion for the Imposition of Civil Penalties, Costs, Fees, Injunctive and Other Equitable Relief to Include Defendant's Failure to Escrow for Sales in 2002 the Motion is **GRANTED**. The Court finds that Defendant, Southern Tobacco, Inc., has committed three knowing violations of the Tobacco Settlement Agreement Act, 35 P.S. §§5673 *et seq.*, for failing to escrow funds for the sale of its tobacco products in the Commonwealth of Pennsylvania for the years 2000, 2001 and 2002. It is hereby ordered as follows:

1. All Southern tobacco products are enjoined from sale in the Commonwealth of Pennsylvania for a period of three (3) years beginning from the date of this Order.
2. The Commonwealth of Pennsylvania is granted the right to confiscate and destroy any and all Southern's tobacco products offered for sale in Pennsylvania, including, but not limited to, the following brand cigarettes, "Golden", "Dynamic", for a period of three (3) years beginning fifteen (15) days from the date of this Order.
3. Within fifteen (15) days from the date of this Order:

a. Southern shall place \$38,828.62 in a qualified escrow fund, as that term is defined in the Tobacco Settlement Agreement Act, 35 P.S. §5673, for the benefit of the Commonwealth of Pennsylvania for the sale of its cigarettes in Pennsylvania in the year 2000.

b. Southern shall pay a civil penalty in the amount of \$116,485.86 for its knowing failure to establish a qualified escrow for the sale of its tobacco products in Pennsylvania during the year 2000.

c. Southern shall place \$226,547.97 in a qualified escrow fund, as that term is defined in the Tobacco Settlement Agreement Act, 35 P.S. §5673, for the benefit of the Commonwealth of Pennsylvania for the sale of its cigarettes in Pennsylvania in the year 2001.

d. Southern shall pay a civil penalty in the amount of \$679,643.91, for its knowing failure to establish a qualified escrow for the sale of its tobacco products in Pennsylvania during the year 2001.

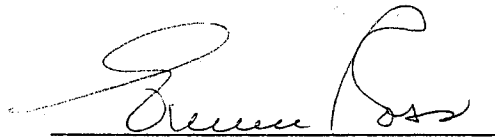
e. Southern shall place \$219,481.95 in a qualified escrow fund, as that term is defined in the Tobacco Settlement Agreement Act, 35 P.S. §5673, for the benefit of the Commonwealth of Pennsylvania for the sale of its cigarettes in Pennsylvania in the year 2002.

f. Southern shall pay a civil penalty in the amount of \$658,445.85, for its knowing failure to establish a qualified escrow for the sale of its tobacco products in Pennsylvania during the year 2002.

g. Southern shall give written notice to all its distributors, agents and sellers that Southern's Tobacco products may not be offered for sale in the Commonwealth of Pennsylvania for three (3) years;

h. Southern shall pay costs to the Commonwealth in the amount of \$40;

4. The Commonwealth shall submit to the Court its petition for reasonable and necessary counsel fees and shall give notice of such petition to Southern.

A handwritten signature in dark ink, appearing to read "S. J. Ross", is written over a horizontal line.

S. J.

Certified from the Record

**MAY 21 2003
and Order Exit**